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DEPT PLEASE PASS TO USTR

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SUBJECT: Saudi government input to U.S. Special 301 OCR

Ref: A. RIYADH 1550
[B. RIYADH 1544](#)
[C. RIYADH 1543](#)
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[11.](#) (SBU) Embassy received the following Saudi government input to the U.S. Special 301 out of cycle review for Saudi Arabia from the Chairman of the Saudi Ministry of Commerce and Industry Standing IPR Committee on November 22. Begin text:

Kingdom of Saudi Arabia
Ministry of Commerce and Industry
Intellectual Property Rights Standing Committee

KSA Report on USTR Special 301
Out of Cycle Review

November 2009
INPUT OF THE KINGDOM OF SAUDI ARABIA TO USTR's SPECIAL 301 OUT - of
- CYCLE REVIEW
November 2009

The following is the summary of activities and efforts of government agencies of the Kingdom of Saudi Arabia responsible for implementation of IPR laws.

The Kingdom has continued its sincere and vigorous efforts for implementation and enforcement of IPR laws and procedures during the year 2009. The Kingdom is fully committed to fulfill its promises and WTO commitments in good faith. No efforts are spared in the achievement of this objective.

The attached information and statistics for each relevant agency testifies to the continuing improvement and success of our mission. The Kingdom sincerely believes that implementation and enforcement of its IPR laws is beneficial for its economy and thus in our own supreme interest. IPR protection is a key component of Saudi Arabia's long-term commitment to implementing King Abdullah's vision to develop a knowledge-based economy.

The efforts of Saudi Arabia have been duly recognized in the form of anti-counterfeiting and piracy awards to Saudi Arabia Customs by the World Customs Organization in 2009 for its work in raising awareness

in the Middle East by organizing the first Pan-Arab conference on this issue and by its commitment to building the capacity of Customs and by translating WCO documents into Arabic. Saudi Customs has also provided information about its extensive seizures to enforce trademark rules.

The Kingdom has taken concrete action to build an effective IPR regime, and has worked closely with industry to not only ensure their concerns are addressed, but also to increase the capacity of government agencies with training. Industry has recognized the Kingdom's progress, and continues to partner with the Saudi government to enhance IPR enforcement and awareness.

The Kingdom is pleased to give below an account of some important developments during the year 2009, along the lines outlined in USTR's list of issues.

Transparency in Copyright Enforcement:

¶1. The website of the Ministry of Culture and Information giving information on raids data, hearing dates and decisions and penalties issued by the Violation Review Committee (VRC) is being updated. A good lot of new information has been posted, including 529 VRC cases to date. The English version of the website is being developed and it is expected to be in use in the first quarter of 2010. Work is continuing and will be completed and updated very soon.

¶2. The dates of adjudication of IPR cases in the VRC are set in coordination with the rights-holders thus giving them adequate advance notice to attend hearings.

IPR Enforcement:

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¶3. Raids on the street vendors of pirated and counterfeit goods have been intensified. Statistics are given in Annexes A through C.

¶4. The Ministry of Culture and Information opened a VRC branch in Jeddah. Another branch in Dammam is expected to open in 2010.

¶5. The VRC has imposed the maximum penalty of Saudi Riyals 100,000 in some cases. The VRC is currently considering two cases which will be referred to the Board of Grievances with a recommendation of deterrent sentencing once the VRC concludes its proceedings. 30 decisions were issued to compensate rights holders where compensations reached up to SR (70,000), and it was decided to close the store for different periods.

¶6. The Ministry of Culture and Information is conducting a study in collaboration with the Communications and Information Technology Commission (CITC) to devise suitable procedures to block websites that sell pirated or counterfeit goods on the internet. The study would also devise ways and means to take action against infringing websites. In addition, we have requested WIPO for an expert to provide advice and help on this issue, including advice on legal and technical matters in relation to adherence to internet treaties

¶7. As for satellite signal piracy, Ministry of Culture and Information now has the authority to control the import and use of receivers with decoding capacity. The Ministry would thus be able to license and monitor their use which would go a long way in curbing satellite signal piracy.

Government Use of Legal Software:

¶8. As the lead agencies responsible for IPR protection, the Ministry of Commerce and Industry and the Ministry of Culture and Information are jointly drafting the text of a proposed decision to be issued by His Majesty the King asking all Ministries, Departments and Agencies to carry out and complete software asset management audit.

¶9. The software asset management audit by the Ministry of Commerce and Industry is expected to be completed in the first quarter of 2010. The Ministry of Culture and Information has an active software management program which meets international standards.

Data Protection:

¶10. The Saudi Food and Drug Administration (SDFA) has confirmed its commitment to the Saudi legislation on the Protection of Commercial Trade Secrets. The Chairman of Saudi IPR Committee has held discussion on this matter with Pharma and then with SDFA to clarify some technical points. It was also agreed that this matter requires some technical assistance and the need to hold a seminar or a workshop. Incidentally, a workshop on the Protection of Confidential Commercial Information was held in Riyadh in June 2009. Pharma is looking into the possibility of organizing another similar workshop with specific focus on the implementation issues and on the practices of different countries. In addition Ministry of Commerce and Industry is seeking assistance from the WIPO on this matter.

¶11. King Abdullah approved the Exclusive Marketing Rights (EMR) proposal in October 2009. The Ministry of Commerce and Industry, SFDA, King Abdulaziz City for Science and Technology (KACST), and Ministry of Health have agreed on a procedure to implement the EMR. KACST's General Directorate of Industrial Property is prepared to consider applications which request EMR protection immediately.

Public Awareness Campaign:

¶12. The public awareness campaign against piracy and counterfeiting is continuing through the print and electronic media and the response is encouraging. It was also requested that the private sector take a major part in this and they promised to do so by the first quarter of 2010.

Legislation:

Saudi Arabia has requested for an expert from the WIPO on implementation of the provisions of the WCT and WPPT.

Summing Up:

The foregoing narration and the attached statistical tables show the commitment, attention, action and achievements of the Kingdom of Saudi Arabia in implementing and enforcing its IPR obligations. These are bearing fruit and this process will continue and will be further enhanced.

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Annex - A

Ministry of Culture and Information

The Efforts of the Copyright General Department

First: In the Field of Cases

The Copyright General Department (CGD) has adopted a procedure whereby if a case on initial examination is found to be within the competence of the Department, it is put on the Department's website, with a number, in order to enable the holder of the right to follow his case through the internet, without the need to contact the Department, until the decision by the Committee.

The cases on the website up till now are 529. Decisions have been made in some of them while decisions on the remaining cases are in process.

Visits made by the Department to the market during the period from 1/1/2009 to 30/9/2009 were 2106 and during these visits about 4912 sites and establishments were visited and 3,838,975 violating materials and equipments were seized.

The Violations Review Committee under the provisions of Copyright Protection Law is chaired by the Assistant Deputy Minister of Domestic Media.

The Committee has made during the past three months more than 128 decisions. Punishments in these decisions range from warnings to fines up to SR (100,000), in addition to closure of outlets from ten days to two months. For repeated violations, one of the stores was fined SR 270,000, and it was decided to close the store.

30 decisions were issued to compensate rights holders where compensations reached up to SR (70,000), and it was decided to close the store for different periods.

Second: In the Field of Awareness:

The Department designed symposia and printed pamphlets giving warnings for not respecting the law. Also fatwas by famous Islamic scholars against copyright violations were published on the website. The Department has supported and encouraged symposia and lectures organized by the private sector with good participation.

The Department has encouraged the private sector to make information and awareness campaigns.

Moreover, The Department has initiated TV and Radio programs to create awareness about copyright protection.

Third: In the Field of Training:

The Department has stepped up its training program. Every Monday, a lecture is given by specialists to train the employees on how to perform their tasks. The private sector participates in these weekly lectures.

The Department took part in workshops organized by international organizations in the field of intellectual property, specially the World Intellectual Property Organization WIPO. The Department now has qualified persons bearing certificates in the field of intellectual property.

Also, the Department sent some of its officials to foreign countries to participate in courses, seminars and workshops on IPR.

A number of employees working in CGD participated in most of the local and international IPR conferences and workshops.

Annex - B

Statistics In Respect of Counterfeited Goods for (1/1/2009-30/9/2009)

Ministry of Commerce & Industry
General Department for Combating Commercial Counterfeit

-- 48 cases violating Combating Commercial Counterfeit Law that were transferred to Commercial Counterfeit Settlement Committee.
-- 361 cases violating Commercial Trademarks Law that were transferred to the Investigation & Public Prosecution Bureau.
-- 815 import shipments were reported to customs for their violation of Combating Commercial Counterfeit Law & Trademarks and Commercial

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Data Law.

-- Seizure of 290,977 packs of counterfeited accessories, perfumes and cosmetics.

Annex - C - 1

Table of Some Customs Committees' Decisions on Counterfeit Goods Violating IPR Issued from 1/1/2009 to 30/9/2009

Customs committee 1

Handbags, Footwear & Wallets: 397 cartons of handbags,

8346 handbags, 3209 wallets
Pens, Watches, Glasses & Lenses: 1255 glasses
Clothes, Fabric & Cosmetics: 12380 packages of shampoo
Electrical and Household Appliances: 500 cartons
Cell Phones: --
Sanitary ware & locks: 3031 cartons, 32 cartons of locks
Vehicle Spare Parts: 7913 cartons, 4001 batteries
Others: 7380 pillowcases and quilts
Number of Cases and Suspects: 34
Fine (SR): 664,223

Customs committee 2

Handbags, Footwear & Wallets: 19766 shoes,
6048 handbags, 275 wallets
Pens, Watches, Glasses & Lenses: 6635 watches 7601 glasses
Clothes, Fabric & Cosmetics: 3420 shawls, 5097 yards of cloth
Electrical and Household Appliances: 1900 heaters,
1725 cartons of lamps

Cell Phones: 739 cell phones
Sanitary ware & locks: 996 cartons, 7526 keys
Vehicle Spare Parts: 15463 cartons
Others: 7813 aluminium sheets,
10000 pieces of computer fittings
Number of Cases and Suspects: 43
Fine (SR): 885,994

Customs committee Jeddah

Handbags, Footwear & Wallets: 2961 cartons
Pens, Watches, Glasses & Lenses: 6069 watches, 3285 glasses
Clothes, Fabric & Cosmetics: 613 packages of clothes,
1716 pieces of clothes,
2400 packages of shampoo
Electrical and Household Appliances: 2040 cartons
Cell Phones: 168 cell phones
Sanitary ware & locks: 2386 cartons, 600 cartons of locks
Vehicle Spare Parts: 1218 cartons
Others: 1839 cartons of lighting fittings,
1808 cartons of perfume
Number of Cases and Suspects: 60
Fine (SR): 501,114

Customs committee Dammam

Handbags, Footwear & Wallets: 69 cartons of wallets,
10740 shoes
Pens, Watches, Glasses & Lenses: --
Clothes, Fabric & Cosmetics: --
Electrical and Household Appliances: --
Cell Phones: 248 cell phones
Sanitary ware & locks: --
Vehicle Spare Parts: 1218 cartons
Others: 2018 prepaid charging cards
Number of Cases and Suspects: 3
Fine (SR): 15,709.30

Customs committee Haditha

Handbags, Footwear & Wallets: --
Pens, Watches, Glasses & Lenses: --
Clothes, Fabric & Cosmetics: 9528 headgears
Electrical and Household Appliances: --
Cell Phones: --
Sanitary ware & locks: --
Vehicle Spare Parts: --
Others: 200 cartons of chocolate
Number of Cases and Suspects: 6
Fine (SR): 186,250

Customs committee Halat Ammar

Handbags, Footwear & Wallets: --
Pens, Watches, Glasses & Lenses: 325 glasses

Clothes, Fabric & Cosmetics: --
Electrical and Household Appliances: --
Cell Phones: --
Sanitary ware & locks: --
Vehicle Spare Parts: --
Others: 2 packages of computer memory, 12 CDs
Number of Cases and Suspects: 3
Fine (SR): 28,770

Customs committee Batha

Handbags, Footwear & Wallets: 247 handbags,
30 cartons of shoes
Pens, Watches, Glasses & Lenses: 7128 watches,
481 cartons of watches
Clothes, Fabric & Cosmetics: 130 cartons of clothes,
4600 shampoo
Electrical and Household Appliances: 2574 cartons
Cell Phones: 279 cell phones
Sanitary ware & locks: 5216 cartons
Vehicle Spare Parts: 983 cartons
Others: 6307 cartons of perfume,
18588 bottles of perfume,
140 DVDs
Number of Cases and Suspects: 27
Fine (SR): 677,744

Total cases & suspects: 149
Total fine: 2,282,060 SR

Goods Violating IPR Seized by Customs Ports during 1/1/2009 -
30/9/2009

Product	Quantity	Value (SR)
Clothes	157,561	355,748
Handbags and wallets, of leather	45,179	794,192
Vehicle		
spare parts	237,481	1,616,273
Plumbing articles	152,490	186,868
Medical appliances	21,350	870,665
Watches	19,909	511,239
Shoes	2,136	210,067
Electrical appliances	6,833	320,741
Perfumery	851	157,897
Accessories	46,718	50,854
Glasses and pens	43,674	67,981
Miscellaneous goods	15,424	1,310,964
Total	749,606	6,409,489

Annex - D - 1

King Abdulaziz City for Science and Technology
General Directorate of Industrial Property

Activities Relating to Patent and Industrial Designs for 2009
(from 1/1/2009 to 11/10/2009)

Patent Application Statistics for 2009:

Action	Number
Filed patent applications.	592
Granted patents.	114
Rejected patent applications.	268

Forfeited (lapsed) patent applications. 451
Withdrawn patent applications. 0

Industrial Designs Application Statistics for 2009:

Action	Number
Filed Industrial Design applications.	340
Granted Industrial Designs.	124
Rejected Industrial Designs applications.	89

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Forfeited (lapsed) Industrial
Designs applications. 141
Withdrawn Industrial Designs applications. 0

Recruitment:

5 employees have been recruited as follows: Archiving clerk -
Secretary - translator - accountant - legal researcher.

Action	Number
Abroad training in the field of patents.	9
Abroad training in the field of plant varieties.	5
Abroad training in the field of intellectual and industrial property.	9
Abroad training in scientific subjects.	4
Regional and international participation.	8
Participating in exhibitions.	10

Annex - D - 2

King Abdulaziz City for Science and Technology
Patent and Industrial Designs Complaints Committee

Statistical Data on Lawsuits for 2009
(from 1/1/2009 to 12/10/2009)

Action type	Patents	Industrial Designs
Appeals against decisions of the General Directorate of Industrial Property.	330	15
Infringement Lawsuits.	22	8
Cases Closed.	270	14

-- Total number of cases since the establishment of the committee is (375).

-- Total number of decisions since the establishment of the
committee is (284).

-- Total number of unfinished cases (91).

Annex - F

Board of Grievances

Actions and Activities from the Beginning of January to the End of
October 2009 Relating to Intellectual Property Rights

Case Statistics:

Number of Cases	Case Category
369	Trademarks
31	Patents
7*	Copyrights

Number of Cases	Status
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32 Canceling of the Decisions
115 Cases Dismissed
24 Cases Inadmissible on Grounds of Formalities
29 Expiration of Lawsuit
2 Guilty
5 Not Guilty

Sample of Final Decision Resulting of Fines:

Number of Cases Case Category

1 Guilty and Fined SAR 50,000
1 Guilty and Fined SAR 50,000

* The Board of Grievances hears copyrights appeals cases. All of these cases were appeals cases referred to the Board by the Violations Review Committee.

End text.

Smith